

Public
Employees'
Retirement
System

PERS Plan 3 Employer Update

State Agency and Higher Education Employers' Edition

Transfer Decision Seminar Scheduling

Past experience with the transfer decision process in the Teachers' Retirement System and the School Employees' Retirement System has shown that while some employees are eager for information that will help them in their decision-making, and will attend transfer education seminars at the first opportunity, a greater number will wait until the final months of the transfer window to take any action.

Based on this experience, the Department of Retirement Systems (DRS) has asked ICMA-Retirement Corporation (ICMA-RC), the firm contracted to deliver these seminars, to adjust its efforts toward making the maximum practical number of seminars available in the last third of the transfer window (July and August 2002). Please keep this in mind when ICMA-RC representatives contact you to schedule seminars during the remainder of the transfer window. For questions about transfer and/or investment education seminars, contact Stephanie Dutton, field director with ICMA-RC at 1-800-735-7202 (ext. 5990).

The Public Employees' Retirement System (PERS) Plan 2 or Plan 3 Transfer Education Seminars began in January 2002, and PERS Plan 3 Investment Education Seminars began in March 2002. Members may register through the Web site: <http://www.wa.gov/DRS/member/pers/2or3>. Employers should periodically review the transfer and investment education Web sites and inform their employees of local seminars.

PERS Plan 3 Member Newsletter

Enclosed with this *Employer Update* you will find advance copies of the third issue of the *PERS Plan 3 Transfer Decision News* member newsletter. DRS will mail this newsletter to PERS Plan 2 and Plan 3 members' homes in May 2002.

This edition of *PERS Plan 3 Transfer Decision News* includes articles on the new PERS Plan 3 legislative changes and how to transfer to PERS Plan 3.

Employers are encouraged to post the enclosed newsletters in appropriate locations at the work site to provide members with additional access to PERS Plan 3 information.

Transfer Payment Qualification Month Changed

In March, the Washington State Legislature passed Senate Bill 6376 that allows PERS Plan 3 members, who work for state agencies or higher education institutions (and who transferred during the initial transfer window), to receive the transfer payment if they earn service credit in June 2002.

Previously, phase one members transferring to PERS Plan 3 during the March 1, 2002 to August 31, 2002 transfer window had to earn service credit in February 2003 to qualify for the transfer payment. The new law makes June 2002 the only month for phase one members to earn service credit for the purpose of qualifying for the transfer payment. There is no limit on the amount of service credit that must be earned. Any amount of service credit qualifies.

The transfer payment will be applied to qualifying members' accounts in June 2003.

DRS Mails Updated Member Account Balances

PERS Plan 2 members will receive a letter in May 2002 to provide them with an updated PERS Plan 2 account balance as of March 1, 2002. The letters also provide members with their projected transfer payment amount and retroactive gain sharing amount. Members can use their letter to compare the estimated benefits under Plan 2 and Plan 3. In December 2001, DRS sent members an estimate of their March 1, 2002 account balance with the *Journey to Retirement: PERS Plan 2 or Plan 3 Transfer Decision* packets.

Internet Services

Employers can use the Internet to submit Correction Transmittal Reports and verify the status of new employees. Many employers have already signed-up for the services - which help ensure that DRS receives accurate and timely member information. For more information, see the DRS "Electronic Services" Web site

<http://www-app3.wa.gov/drs/eservices/employer/Info/ElectServ.asp>

Employer Training

DRS would like to thank you for your participation in the PERS Plan 3 training sessions. Employers who need ongoing assistance or have questions related to PERS Plan 3 training, should contact DRS' Employer Support Services (ESS) unit at 1-800-547-6657 (ext. 47200) or (360) 664-7200.

Timeline for Plan 3 Contributions

PERS Plan 3 members should be aware that the timeline for the deposit of their Plan 3 contributions varies, depending on which investment program they select. PERS Plan 3 members may direct their retirement contributions into the Washington State Investment Board (WSIB) Investment Program or the Self-Directed Investment Program. The example in the table below illustrates the PERS Plan 3 transfer and contribution timeline.

Example of steps in the transfer process	
<p>A member turns in the Member Information Form to their employer.</p> <p>Employer sends the member's information to DRS at the employer's next reporting cycle. This can take up to six weeks.</p> <p>DRS sends the member's information to the record keeper. This takes a minimum of two days.</p> <p>The record keeper sends a "Welcome to PERS Plan 3" letter to the member's home two days after the record keeper receives the data.</p> <p>The time line for the member to review their account information depends on the member's investment program choice: The Self-Directed Investment Program or the WSIB Investment Program.</p>	
The Self-Directed Investment Program	The WSIB Investment Program
<p>Members can view account balance information the second business day of the month following the month the employer sends information to DRS, as long as it was transmitted to the record keeper on or before the third to the last business day of the month.</p> <p>The total length of the transfer process for a Self-Directed Investment Program member can be up to eight weeks.</p>	<p>Members can view account balance information two business days after the member information is transmitted to the record keeper.</p> <p>The total length of the transfer process for a WSIB Investment Program member can be up to seven weeks.</p>

DRS Employer Handbook

DRS mailed updated copies of the ***DRS Employer Handbook*** to employers in February 2002. Employers who need additional copies or have questions regarding the **Handbook** should contact DRS at the numbers listed under *Resources* on page 4.

Transfer, Choice and Investment Education Videos

As of February 2002, employers should have received copies of the ***PERS Plan 2 or Plan 3 Transfer Decision***, ***New Member Plan Choice*** and ***PERS Plan 3 Investment Education videos***.

Items Mailed to Employers

The items below have been mailed to employers over the last several months. If you have not received any of these items, or find that you need extra copies, please call the appropriate number under *Resources* below.

Items Mailed by DRS	Mail Date	For Whom?
<i>Journey to Retirement</i> Posters and Flyers	December 2001	PERS Plan 2 members seeking information regarding PERS seminars
<i>PERS Plan 2 or Plan 3 Transfer Decision</i> packets	December 2001	Plan 2 members who established membership prior to March 1, 2002
<i>Transfer Decision</i> videos	January 2002	Plan 2 members who established membership prior to March 1, 2002
<i>New Member Plan Choice</i> packets and <i>New Member Plan Choice</i> videos	February 2002	Plan 2 members with original hire/membership date on or after March 1, 2002
<i>DRS Employer Handbook</i>	February 2002	Employers
<i>PERS Plan 1</i> and <i>Plan 2 Member Handbooks</i>	February 2002	Plan 1 and Plan 2 members
<i>PERS Plan 3 Member Handbooks</i>	February 2002	Plan 2 members who request them and ALL Plan 3 members
<i>PERS Plan 3 Investment Education</i> materials and <i>Investment Education</i> videos	February - March 2002	Members who choose Plan 3 and/or need more information about Plan 3 investments

Resources

Internet Site: Additional information will be posted to the Web site at:

<http://www.wa.gov/DRS>

Employers: If you have questions, contact ESS at:

1-800-547-6657 (ext. 47200) or (360) 664-7200

To order transfer/choice packets/videos, or handbooks, contact DRS at:

1-800-547-6657 (ext. 47066) or (360) 664-7066

To order additional investment education packets, videos and posters/flyers, contact ICMA-RC at:

1-888-711-8773

Members: If members have questions, they can contact DRS at:

1-800-547-6657 or (360) 664-7000